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U. S. DEPARTMENT OF AGRICULTURE

Discussion Group Topic No. 10

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WHAT SORT OF COOPERATIVE MOVEMENT  
DO AMERICAN FARMERS WANT?

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This material has been prepared to supply assistance for discussion groups. It is not intended to direct attention to any particular point of view. Neither is it presumed to be a complete or even an orderly presentation of the discussion possibilities of the topic. Its purpose is to stimulate discussion. It is intended to assist in creating opportunities for discussion in the belief that through intense discussion people may find ways of thinking through for themselves vital questions which require democratic decision.

The attention of discussion leaders and others is called particularly to the availability of "Discussion: A Brief Guide to Methods." This contains practical suggestions and information.

Copies of "Discussion: A Brief Guide to Methods," and copies of this and other group discussion topics can be obtained from the Department of Agriculture, Room 202, Washington, D. C., or by writing to the agricultural college of your state.

April, 1935.



Topic: WHAT SORT OF COOPERATIVE MOVEMENT  
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At a time when great emphasis is being put upon the use of governmental means of economic improvement, concern is sometimes expressed as to the effects of these means on older voluntary efforts. American farmers have for a period of over fifty years developed a cooperative economic movement for both market and purchasing. About one-third of the farmers of the nation are members of one or more cooperative associations. There is evidence that farmers are in some respects already more cooperative than other groups of the population.

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1. CAN THE COOPERATIVE MOVEMENT BE STRENGTHENED THROUGH GOVERNMENTAL EFFORTS TO IMPROVE FARM ECONOMIC CONDITIONS?
2. SHOULD THERE BE A GREATER CONCENTRATED EFFORT PLACED ON COOPERATIVE PURCHASING AND COOPERATIVE MARKETING?
3. SHOULD THE SUCCESS OF COOPERATIVE ASSOCIATIONS BE MEASURED IN TERMS OF PRICE?
4. SHOULD FARMERS STRENGTHEN AND ENLARGE EXISTING COOPERATIVES, OR SHOULD THEY WIDEN THE MOVEMENT BY EMPLOYING NEW TYPES OF COOPERATIVES?
5. SHOULD CHILDREN AND ADULTS IN RURAL COMMUNITIES BE TAUGHT THE PRINCIPLES OF VOLUNTARY ECONOMIC COOPERATION IN A SYSTEMATIC WAY THROUGH SCHOOLS AND OTHER EDUCATIONAL INSTITUTIONS?
6. SHOULD FARMER'S COOPERATIVES COOPERATE OR IDENTIFY THEMSELVES WITH CONSUMER'S COOPERATIVES IN THE CITIES?
7. WHAT ARE THE ECONOMIC AND SOCIAL POSSIBILITIES OF COOPERATIVE FARM CREDIT, INCLUDING CREDIT UNIONS?



## SOME PROS AND CONS

### I

"We tried voluntary cooperation for about two generations and it didn't get us very far. It is too slow. It can't cope with national crises or with international conditions. Therefore, the time has come to rely more upon governmental means than upon cooperatives. Voluntary cooperatives can then continue to supplement government action."

### II

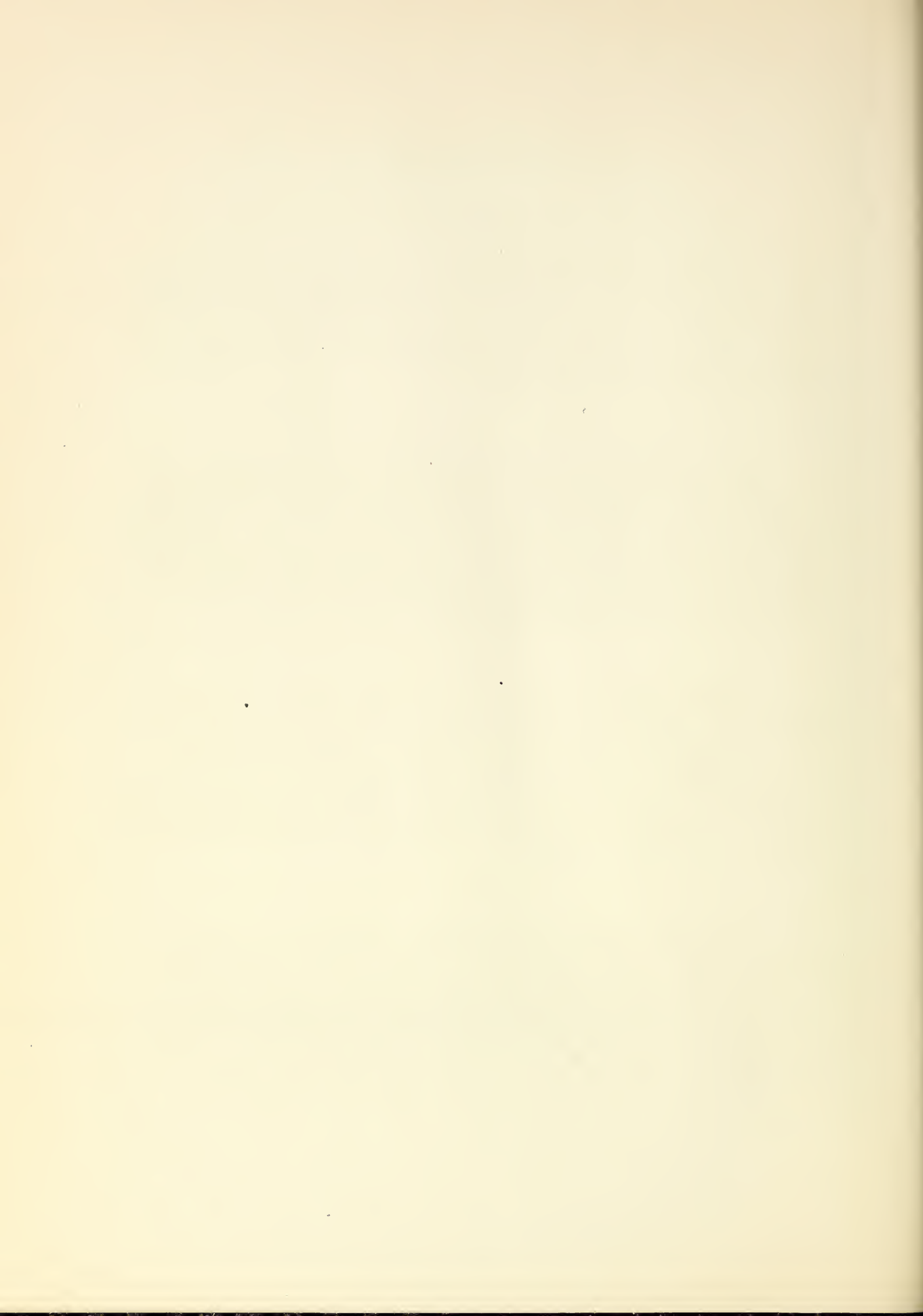
"What farmers can do for themselves is in the long run more important than what governments can do for farmers. This is the lesson of experience, in many nations over many decades. Voluntary action seems slower but it is more lasting. Voluntary efforts provide the soundest base on which to work because they can carry on educational work in small groups. Therefore, the thing to do is to keep at the development of cooperatives and simply have the government supplement voluntary work."

### III

"Farmers have been on the wrong track. They have paid too much attention to marketing cooperatives. The thing to do is to emphasize the farmer as a consumer. This means much more attention to forming organizations for purchasing. In this connection, purchasing can be expanded to include services as well as goods. Cooperative insurance is an example, already being tried successfully in a number of states. Cooperative purchasing is the thing of the future."

### IV

"We need strong cooperative marketing organizations to help get better prices and to save costs in the selling process. We may have neglected purchasing cooperatively but we certainly need to continue the development of marketing cooperatives. Farmers have been exploited both as sellers and buyers. They must try to get together to make a more unified impact on their own markets."





## V

"The cost of moving farm products from the farm to the consumer is entirely too costly and wasteful. The farmer needs a larger share of the consumer's dollar and the consumer is willing that the farmer should have it so long as it does not increase the purchasing price to him. Costs of distribution can and should be reduced by the employment of more producer and consumer cooperatives. By this means of marketing, both the producer and farmer have a chance of getting a square deal by dealing directly with one another."

## VI

"Consumers can buy to better advantage when purchasing their needs as individuals rather than through consumer cooperatives. They study their individual needs and retail prices in more detail than would be possible in purchasing associations. The consumer does not have to buy from any salesman but instead shops around and buys from the firm which will give him the best quality at the lowest prices."

## VII

"Farmers do not need new and easier sources of credit. Easy credit and high prices were the principal reasons why farmers became heavily indebted during and immediately following the war. Later these debts became burdensome and there was a widespread effort to produce more goods in order to meet fixed obligations. This increased production resulted in driving farm prices still lower, and was one of the chief causes of the depression."

## VIII

"The great need of the American farmer is a cooperative system of farm credit. Given fair prices for his commodities, and a system of farm credit that he can use, without paying exorbitant interest rates, and the farmer will pay out on his indebtedness. The farmer asks no favors or special privileges. All he asks is that he be granted the same privileges of borrowing money at reasonable rates of interest, as other businesses have been able to do for years, and he will solve his problems as they arise."



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